

S  
332.1  
E6R  
1904

Administration, Dept. of  
Examiners, Board  
Report, Annual

TENTH ANNUAL REPORT

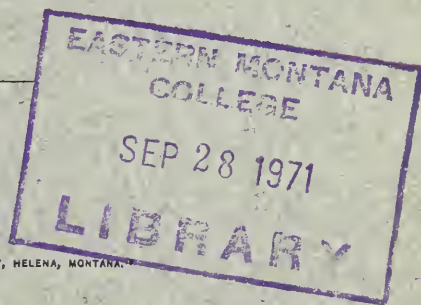
OF THE

MONTANA ROOM

STATE EXAMINER

FOR THE

FISCAL YEAR ENDING NOV. 30, 1904



"INDEPENDENT PUBLISHING COMPANY, HELENA, MONTANA."



Montana State Library



3 0864 1003 7695 6

TENTH ANNUAL REPORT

OF THE

STATE EXAMINER


FOR THE

FISCAL YEAR ENDING NOV. 30, 1904

---

"INDEPENDENT PUBLISHING COMPANY, HELENA, MONTANA."





Digitized by the Internet Archive  
in 2008 with funding from  
Montana State Library

## Tenth Annual Report.

---

Office of State Examiner for Montana.  
Helena, Montana, Nov. 30th, 1904.

To Joseph K. Toole,  
Governor of Montana.

Sir:—

In compliance with the law I submit this, the Tenth Annual Report of the State Examiner's Office, for the fiscal year ending Nov. 30th, 1904.

Mindful of the statement in your 1901 message "that large sums of money are unnecessarily expended for public printing, \* \* \* \* this is especially true of reports of state officers," I have omitted from my annual reports a mass of bank and county statistics. This data, though valuable, is easily accessible to the public in other reports, (See reports of State Auditor and Bureau of Industry), and duplication of it is a waste of funds.

During the past fiscal year this office has made personal examinations of seven (7) state offices, the State Board of Horticulture, twenty-six (26) counties, twenty-eight (28) bank and trust companies, two (2) building and loan associations, the Billings of Billings and Carbon of Red Lodge and twelve (12) meat and milk inspectors.

Detailed reports of these examinations have been made as the work progressed during the year, to Your Excellency and the Attorney General; also to the proper county officials.

### BANKS.

Since 1903 the State Bank of Neihart has gone through voluntary liquidation and disincorporated; the Judith Basin Bank, of Lewistown, and the Forsyth State Bank, of Forsyth, both became National Banks last May.

The banks and trust companies under supervision of the

Montana State Examiner continue to have an enviable record, not one ever having failed or temporarily suspended. The number of these has increased from nine in 1895 to twenty-nine at present, two-thirds of the increase occurring the past four years.

### EMBEZZLEMENTS.

The account of one county official, J. P. Martin, Public Administrator, Gallatin County, was found short \$1,459.29 on my examination. Neither State nor County lost by this deficit, as the inheritance tax and all fees had been paid. The official bond of Mr. Martin had expired in 1902 and was not renewed. The duty of looking after the official bonds of county officers devolves entirely on County Commissioners, hence this office was not responsible for the loss which the heirs of the J. A. Dartos estate suffer.

### RECONCILIATION OF WARRANT REGISTERS WITH LEDGER ACCOUNTS.

In addition to checking receipts of the Auditor's office, and comparing the amount of claims as passed by the Board of Examiners with the total warrants issue by the Auditor to pay said claims, a reconciliation of the outstanding warrants as shown by the various ledger accounts and warrant registers was made. This comparison apparently had not been made since the ledger warrant accounts were opened in 1895, as required by the Code. This work consumed the time of myself and assistant for over a month, involved an examination of many accounts from 1889 on, the careful checking of over 40,000 warrants, and resulted in finding many errors. Fortunately, these did not cause a money loss, though making erroneous showings as to warrants. These errors have been corrected and all the warrant accounts to date of Jan. 31st, 1904, reconciled, save the General Fund, in which there is a discrepancy of \$1.01 between the ledger and registers. Absence of many old General Fund warrants made it impossible to check them with office records and find this. A correct list of all out-



standing warrants to Jan. 31st, 1904, has been made, and is on file in my office, so that it can be used as reference in future examinations.

### WORK OF THE EXAMINER'S OFFICE HAS GREATLY INCREASED, WHILE THE EXPENSE HAS BEEN REDUCED.

The 1895 Legislature, which created this office, fixed \$7,000 per annum, as the amount for salaries and all expenses. The Examiner's Report, Nov. 30th, 1896, shows that he had to examine and report on twenty-three (23) counties, nine (9) banks, six (6) State offices, and two (2) State institutions. Contrast with that, the work shown by this 1904 report, and an increase of 3 counties, 19 banks, 1 State office, 1 State board, and 12 meat and milk inspectors, is apparent. This numerical increase only partly measures the larger amount of work, because the volume of business done in County and State offices has markedly increased, and the Examiner's labor in each office has correspondingly increased. The growth in the banking department is over 300 per cent. in number, and the greater volume of business is indicated by the fact that the total resources of the nine State banks, as reported Oct. 7th, 1895, \$3,421,557.23, is now exceeded \$1,000,000 by a single bank, the State Savings of Butte. Despite the greatly increased traveling and office expense and volume of work, the average annual cost of the office during my incumbency has been \$1,800 less than for either 1895 or 1896.

### BACK TAXES AND LICENSES.

In addition to routine work, especial attention has been given to license and tax collections.

In 1901, the present appointees began a systematic effort to collect taxes then delinquent; they also devised and inaugurated an improved method of accounting such taxes. The effort then started has been persisted in with the result that up to Oct. 30th, 1904, there has been collected in old

delinquent taxes (those owed prior to 1901) \$126,722.34. This sum does not include a dollar of taxes which became delinquent during the incumbency of present appointees, but is all for amounts owed when they went into office. Had all the counties acted on recommendation repeatedly urged, the above sum would be larger by at least \$25,000.

A notable license case was that against the Rocky Mountain Bell Telephone Co., which began in 1901, at the instigation of this office, as a test suit in Lewis and Clarke county, was thence carried to the State Supreme Court, where a decision in favor of the State was had in 1903. The result was a collection of \$3,548 in back licenses, and thereafter compelling the R. M. B. T. Co. to pay the statute license.

#### INTEREST COUPONS RECOVERED.

More than the annual salaries of this office was saved to the State by the recovery of \$4,530 interest coupons on bonds issued by the State Arid Land Grant Commission. In checking payments made to contractors, the office held that \$4,530 in interest coupons had been wrongly issued; these were then recovered and cancelled.

#### UNIFORM CLASSIFICATION OF COUNTY EXPENSES.

A comparison of similar expense items from year to year in the same county or with other counties, is often necessary, but unless the classification of these items is alike in all counties, no accurate comparison is possible. To enable such comparisons to be made, this office revised some account books used by the Clerk and Recorder, and ordered the revised form put in use by Dec. 1st, 1903, so that for the last and succeeding fiscal years there will be a uniform classification of county expenses.

State Board of Horticulture. All collections have been properly accounted for. The fees collected by this Board are used by the Board in meeting necessary current expenses. The Board has been compelled to pursue this method in order to continue their good work, because of the practice



of the Committee on Appropriations, who, instead of appropriating a sum equal to the estimated requirements, appropriated a part only and expected the Board to make up the balance by disbursing the fees it collected. A much better method, in my judgment, would be to pay into the State Treasurer all collections, and then to meet expenses by warrants drawn against a sufficient appropriation.

#### END OF COUNTY FISCAL YEAR.

The present close of county fiscal year, Nov. 30th, is objectionable, and if changed to an earlier date, say June 30th, would, in the judgment of myself and very many county officers, result in several advantages. The making of quarterly and annual reports now comes immediately after Nov. 30th, when the Treasurer is very busy with delinquent tax matters. It is impossible for either Treasurer or County Clerk to get their annual reports to the State Examiner in time so that data for legislative use can be collected and published. By closing the fiscal year earlier, the making of annual reports would not interfere with delinquent tax matters, and the Treasurer could then devote more time to collecting, especially personal delinquents, which are frequently lost by lack of prompt efforts. There would be an opportunity to compile data before the Legislature met, and the reports as to delinquents would make a better showing than at present.

#### LICENSE COMMON CARRIERS.

The amendment to Section 4074, Political Code, as enacted by the Eighth Session (page 118), requires a State license instead of a County license, and tends to confusion by its wording as to who shall collect. If this was made a County license, collectable by the County Treasurer, it would be in keeping with other occupation licenses.

Respectfully submitted,

W. HUDNALL,

State Examiner.





